CROSBY HOUSING ASSOCIATION
Tangible Tolerant Practical Permanent

Value for Money (VfM) Statement
Year Ending 31st March 2025

Our VfM journey through 2024/25

Crosby Housing Association (CHA) is committed to delivering high-quality services efficiently and cost-effectively, ensuring the best use of resources to support our tenants and communities.

The Association's Value for Money (VfM) Strategy is aligned to the business plan approved for 2021-2026. The strategy describes how VfM is embedded into the culture of CHA through what it spends, the services it delivers to its tenants and the formal and informal partnerships it has formed. Responsibility is not restricted to any one person/group. It is the duty of every employee and Board Member to assist, in the promotion and delivery of the VfM strategy.

Value for Money is central to everything we do. The value we provide to our customers and stakeholders reflects our commitment to helping people live well - through safe homes and supportive, sustainable communities. Rather than focusing on generating large financial surpluses, we aim to invest as much as we sustainably can into our core mission.

Knowing our customers is essential to delivering value for money. While further work is needed to strengthen our understanding of tenant needs, our partnerships with local stakeholders - such as Sefton Council, Liverpool City Region Combined Authority, and community organisations - provide valuable insight into local priorities and help shape our services.

Tenant Satisfaction Measures (TSMs) now form a core part of our performance framework, enabling us to assess the effectiveness of our services and identify areas for improvement. These are collected bi-annually and will be collected again 25/26. Our latest available results (from 2023/24) show strong satisfaction in key areas such as being treated fairly and respectfully (85%), ease of dealing with the organisation (83%), and the provision of safe homes (79%). However, we acknowledge that satisfaction with complaints handling (28%) and repairs (71%) remains below expectations.

Tenant feedback plays a key role in shaping our approach to value for money. Insights from the TSMs have informed targeted improvements, particularly in complaints handling and repairs. We are committed to strengthening this engagement further to review VfM outcomes and help guide future investment decisions. VfM is also embedded in our governance and operational culture, with regular Board oversight and staff involvement in identifying opportunities to improve efficiency and impact.

The current economic climate continues to challenge the sector, with rising costs, high interest rates, and increasing regulatory demands - particularly around decarbonisation, building safety and complaints handling. The financial impact of decarbonisation and building safety works has been especially significant. Despite these pressures, we have largely maintained service levels, though this has placed strain on our operating margins and interest cover.

Significant investment was made in decarbonisation and major repairs during the year, supported by SHDF Wave 2.1 grant funding through collaboration with the Liverpool

City Region Combined Authority. While the process has been complex, we are hopeful the improvements will enhance sustainability and affordability.

Despite not progressing new build development during 2024/25, we successfully expanded our housing stock through alternative means. A large single dwelling was reconfigured into four supported one-bedroom units, and four three-bedroom homes were acquired with support and 40% subsidy from Sefton Council and the Local Authority Housing Fund (LAHF).

The Board reviewed a draft Asset Management and Growth Strategy, recognising asset management as the Association's largest area of expenditure. The strategy is being updated to incorporate stock condition data, assess financial capacity, and adopt a more flexible, opportunity-led approach to growth. While the original 10% growth target has been removed, the strategic focus on growth remains as does maintaining and improving existing homes to ensure long-term value and quality.

To support this, a full stock condition survey was commissioned, including updated Energy Performance Certificates (EPCs). This independent data will inform investment planning, support decarbonisation, and ensure regulatory compliance. External treasury advice will be sought to guide future investment decisions and ensure financial readiness.

During the year, we enhanced our digital infrastructure to support more efficient working and better tenant services. The rollout of our new housing management system has enabled us to digitise several paper-based tasks. We also upgraded staff IT equipment to support flexible working and collaboration.

We hope to measure the benefits of these improvement and staff time saved in the coming months. This information, alongside the introduction of Housing BRIXX for financial scenario and business planning, will help us to make more informed decisions and deliver services more effectively.

Added Value

In addition to delivering core services, CHA continues to generate added value through partnership working, and community-focused initiatives.

As touched on earlier, our partnership with Sefton Council has enabled us to add to our stock and support vulnerable households, including those resettling from challenging circumstances, through the LAHF
. We've also worked with the Liverpool City Region (LCR) combined authority to secure grant funding to support our significant investment in decarbonisation works, improving sustainability, affordability and long-term performance of our homes.

CHART continues to deliver significant social value. The team supported over 200 individuals with complex housing and mental health needs, including those at risk of homelessness. CHART's collaborative work with local agencies and housing providers helps to prevent homelessness, ensures tailored support and improves wellbeing for some of the boroughs most vulnerable residents. Their re-use and recycle project, in partnership with our Charity Shop, has also helped furnish homes for those in need using donated and repurposed items.

The Charity Shop remains a vital part of our community and social value offer, providing volunteering and employment opportunities, supporting local initiatives, providing a hub for the community and generating funds to reinvest in tenant services and local projects. Despite challenges with premises maintenance, the shop continued to operate and contribute to our wider social mission. Volunteer contributions and community donations remain vital to its success.

Key highlights

- Over 400 families provided with free school uniforms
- 3200 hours received in volunteer time
- 452 Easter eggs donated to Sefton Community Pantry
- 3250 free meals provided through our Warm Space partnership with Waterloo Community Centre
- 34% of tenants using the Tenant Portal / MyCrosby app
- 209 CHART referrals for mental health support

We remain committed to delivering value for money by balancing financial sustainability with social impact, ensuring our resources are used to improve lives and strengthen communities.

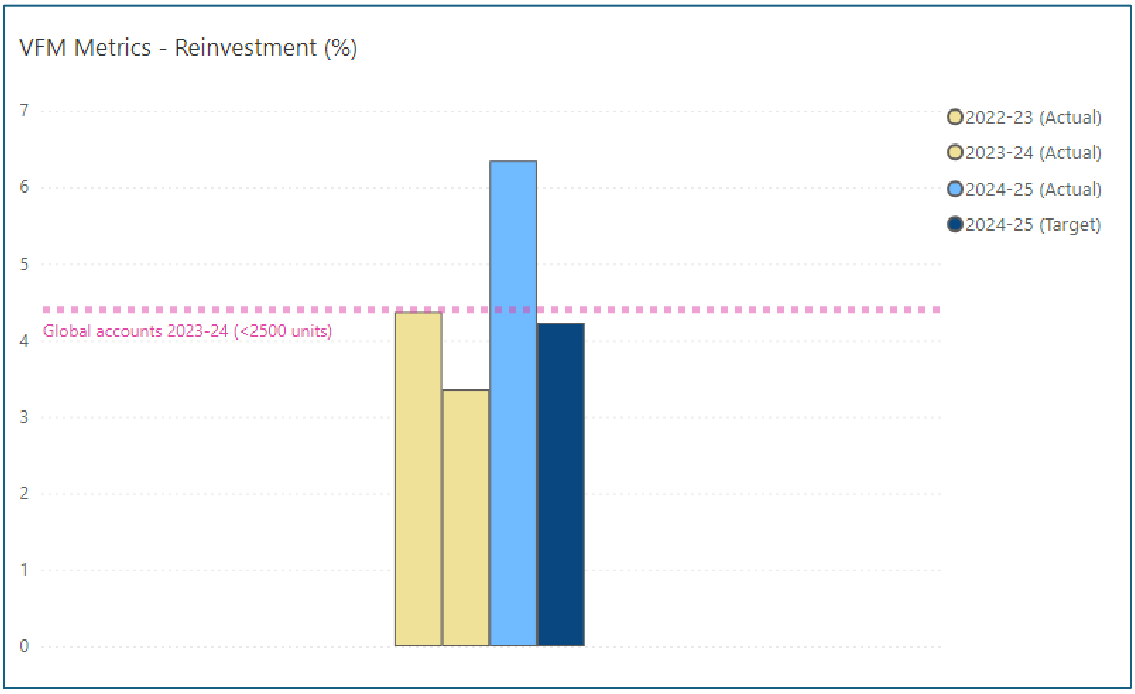
Representation and Diversity

CHA is committed to promoting diversity and inclusion across all areas of its work. We recognise that a diverse workforce and Board bring a broader range of perspectives, experiences, and skills, which strengthens decision-making and service delivery. During 2024/25, we continued to monitor the composition of our Board and staff team, ensuring that recruitment and development practices support fair representation. We remain focused on creating an inclusive environment where all individuals feel valued, respected, and able to contribute fully to our mission.

Performance against the VfM Metrics

Performance for 2024/25 is shown in the graphs below with actual out-turn in pale blue, compared with a target shown in dark blue. Previous performance is shown by a yellow bar. The median comparison line comes from the most recent RSH Global Accounts available at the time of preparing the financial statements for YE 31st March 2025.

Reinvestment

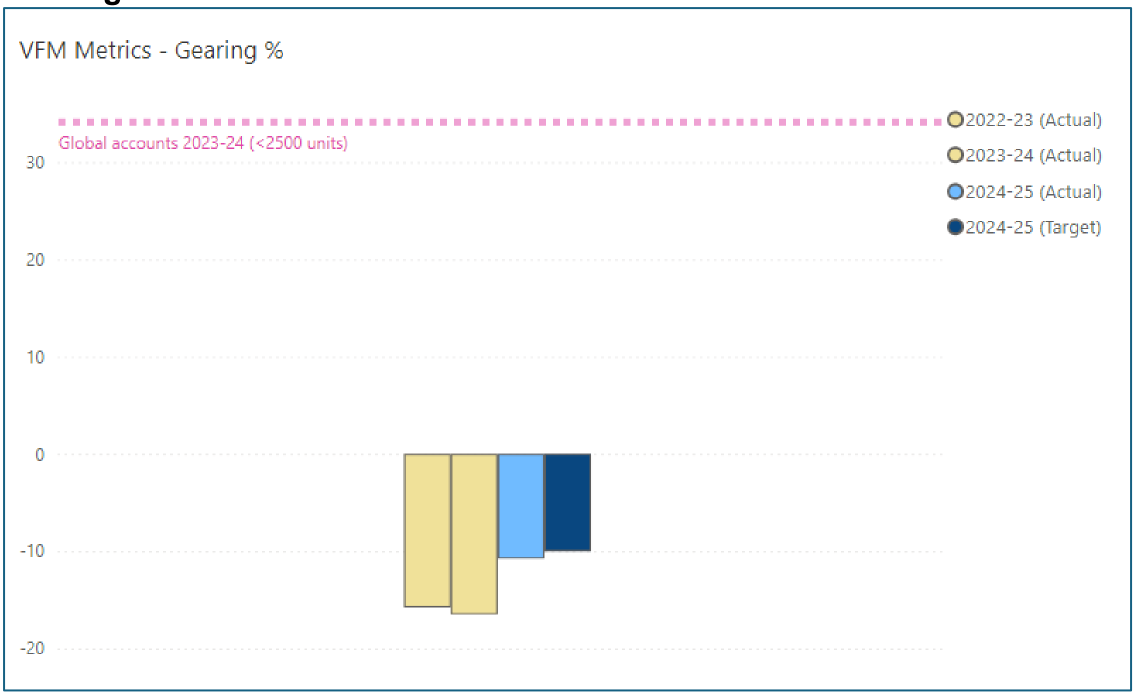


This increased to 6.35% in 2024/25 due to higher expenditure on stock investment works, particularly in relation to decarbonisation works, the need to meet regulatory and safety standards, and the purchase of additional units of stock. The target for 2025/26 returns to a more typical level, in line with recent averages.

New supply delivered (social housing)

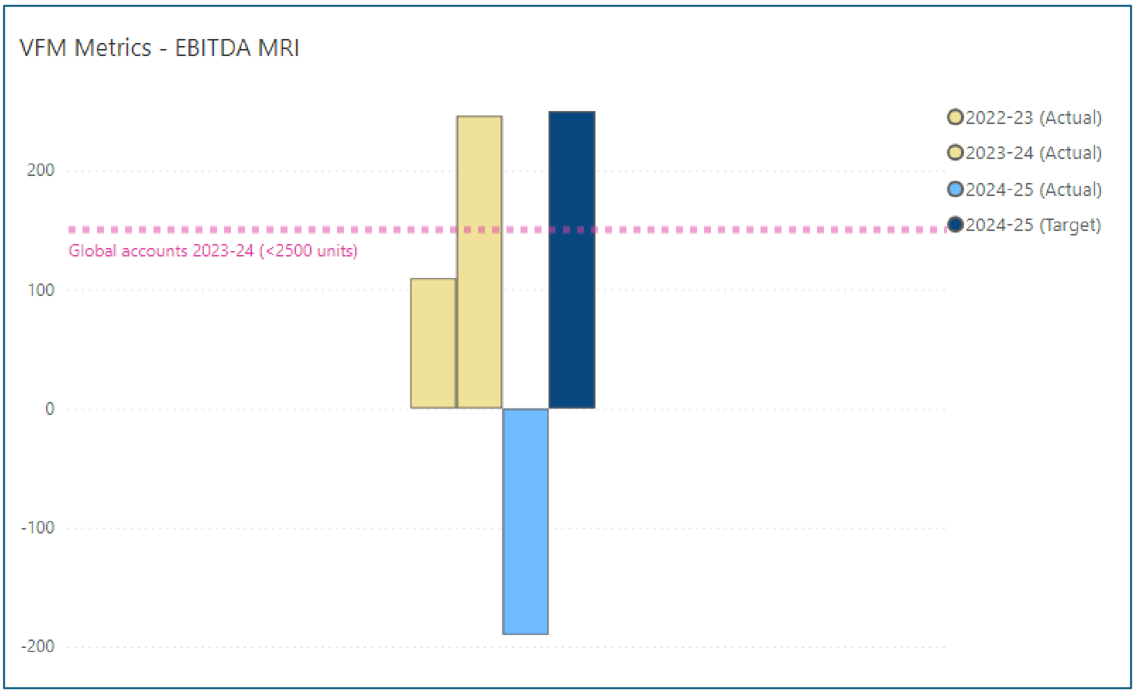
This improved to 1.6% in 2024/25, reflecting the handover of new homes – predominantly through the LAHF programme. The 2025/26 target remains consistent with the Association's measured approach to growth and focus on maintaining quality and financial resilience.

Gearing



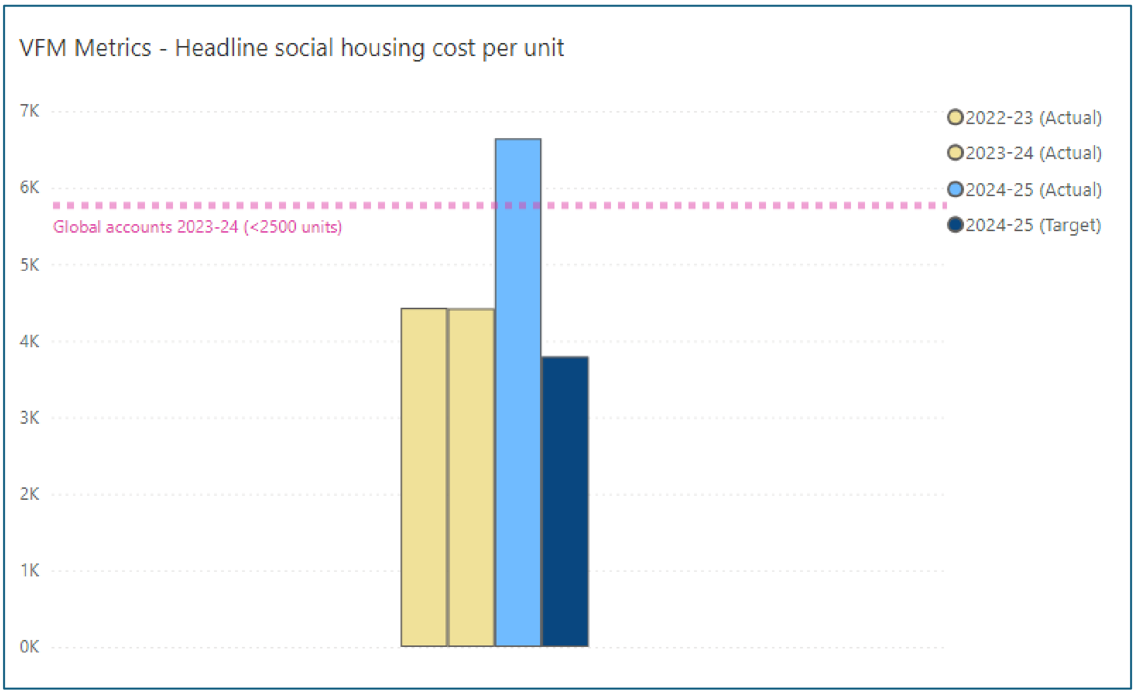
Gearing remains negative due to the Association's strong cash position and low level of variable-rate borrowing, offering continued flexibility. This compares favourably against the sector average and reflects minimal debt exposure.

EBITDA-MRI



EBITDA was negative in 2024/25, primarily due to exceptional levels of investment in decarbonisation and major repairs, which are included in the calculation. Excluding these strategic investments, underlying operating performance remains robust.

Headline social housing cost per unit

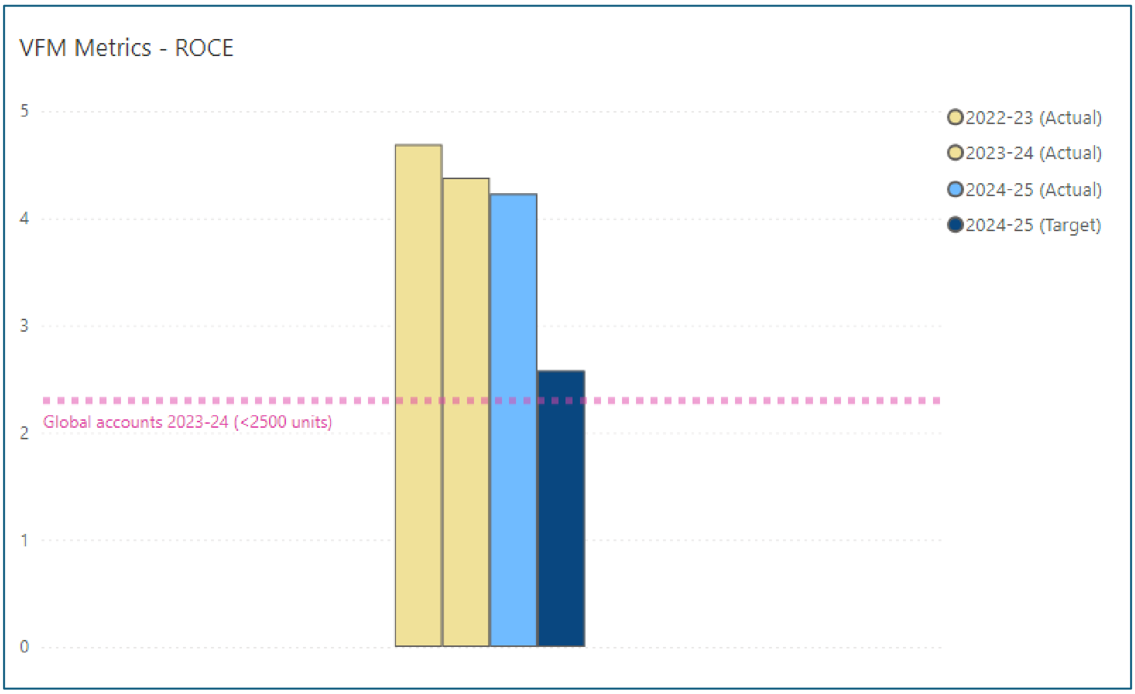


This rose to £6,643 in 2024/25, largely driven by significant investment in existing stock and rising management costs linked to inflation, increased compliance requirements, and service delivery improvements. This puts CHA just above the median from the latest available RSH global accounts (<2500 units) and around £1k higher than the CHP peer group median. The 2025/26 budget projects a reduction to £5,768 as one-off investment needs taper, bringing us back in line with peer group medians.

Operating margin

This continues to trend downward, falling to 25.95% in 2024/25. This reflects both increased costs and a conscious decision to invest more in existing stock and services. While margins are below the historical peak, they remain above target and above sector averages and will be closely monitored.

Return on capital employed (ROCE)



ROCE for 2024/25 was 4.23%, representing a modest reduction on the prior year (4.1%) and comfortably above the 2023/24 global accounts figure of 2.3% for providers with fewer than 2,500 units. This means we're using our money and assets effectively to support our work. While we've invested more in improving homes and meeting new standards, we've still managed to get good value from the resources we have.

VFM 3-Year Forecasts

VFM Metric	**2025–26**	**2026–27**	**2027–28**
1. Reinvestment %	4.23%	3.14%	2.92%
2. New Supply Delivered %	0.45%	0%	0%
3. Gearing %	(10.72)%	(10.8)%	(10.87)%
4. EBITDA-MRI %	11.67%	157.28%	115.62%
5. Headline Social Housing Cost Per Unit	£5,779	£6,781	£6,859
6. Operating Margin %	7.05%	18.23%	18.44%

During 2024/25, the association introduced Housing BRIXX financial planning software to enhance long-term financial planning and scenario modelling. The VFM forecasts for 2025-26 come from the approved budget for the year, but the 2026-27 & 2027–28 targets have been developed using base data from the BRIXX business plan.

The forecast dip in operating margin for 2025/26 reflects front-loaded investment in decarbonisation and compliance works. Margins are expected to recover in subsequent years, and these works are expected to yield long term benefits.

It is important to note that the projections for 2026-27 & 2027-28 do not yet incorporate several potential areas of significant future expenditure. Specifically, they exclude the financial impact of new-build development and decarbonisation works.

Following the outcomes of stock condition surveys in 2025/26, the Association plans to reassess its strategy. Once this assessment is complete, financial forecasts will be re-run to reflect the full scope of investment ambitions and environmental commitments.

Appendix: Assurance Statement: Compliance with the RSH Value for Money Standard and Code of Practice

Following a comprehensive review of Crosby Housing Association's Value for Money (VfM) Statement for the year ending 31st March 2025, I am satisfied that the Statement demonstrates full compliance with the Regulator of Social Housing's Value for Money Standard and accompanying Code of Practice.

The VfM Statement provides clear evidence that:

- Strategic objectives are well-defined and aligned with the Association's approved Business Plan (2021–2026).
- Governance arrangements ensure regular Board oversight of VfM delivery, with staff engagement embedded across the organisation.
- Performance is monitored and reported against all seven RSH VfM metrics, with sector benchmarking and three-year forecasts included.
- Resources are used effectively and efficiently, with evidence of strategic investment in decarbonisation, digital transformation, and asset management.
- The Statement is transparent, accessible, and includes narrative explanations, visual data, and acknowledgement of areas for improvement.
- Social value is delivered through community partnerships, CHART, and the Charity Shop, with strong outcomes for vulnerable tenants.
- Stakeholder engagement is evident through Tenant Satisfaction Measures and community feedback mechanisms.
- Diversity and representation are actively monitored and promoted within the workforce and governance structures.

The Statement reflects a mature, whole-business approach to VfM, with a clear commitment to continuous improvement, financial sustainability, and social impact.

Evidence of compliance with the RSH Value for Money Standard

Standard Requirement	Evidence in VFM Statement
1. Clear strategic objectives	VfM Strategy aligned with 2021–2026 Business Plan; focus on safe homes and sustainable communities.
2. Board-approved VfM approach	Board oversight referenced in governance culture and strategy review.
3. Demonstrate delivery of VfM	Performance metrics, tenant satisfaction, digital transformation, and added value initiatives.
4. Strategy for delivering homes	Asset Management and Growth Strategy outlines flexible, opportunity-led development.
5. Optimal use of resources and assets	ROCE, reinvestment, and digital efficiencies show how resources are maximised.
6. Economy, efficiency, effectiveness	Use of Housing BRIXX, IT upgrades, procurement of homes, and partnership working.

Standard Requirement	Evidence in VFM Statement
7. Robust VfM approach across the business	VfM embedded in governance, staff culture, CHART, Charity Shop, and digital systems.
8. Regular Board consideration of VfM	Board involved in strategy review, financial planning, and oversight of VfM outcomes.
9. Use of appropriate VfM targets	Targets included in 3-year forecasts and performance metrics.
10. Regular monitoring and reporting	Metrics tracked year-on-year with narrative and sector benchmarking.
11. Annual publication of VfM evidence	Statement includes all required metrics, comparisons, and narrative.
12. Performance against RSH metrics	All seven metrics reported with explanation and comparison to Global Accounts.
13. Peer comparison	Sector medians from Global Accounts used for benchmarking.
14. Plans to address underperformance	Repairs and complaints satisfaction acknowledged with improvement plans.

Evidence of compliance with the RSH Code of Practice

Code of Practice Area	Evidence in VfM Statement
1. Strategic alignment	VfM strategy linked to business plan and tenant outcomes.
2. Governance and decision-making	Board oversight and staff involvement in VfM delivery.
3. Performance management	Use of TSMs, KPIs, and Housing BRIXX for scenario planning and forecasting.
4. Use of resources and return on assets	ROCE, reinvestment, and asset management strategy.
5. Transparency and accountability	Clear, accessible reporting with narrative and visual data.
6. Trade-offs and choices	Decarbonisation vs. margin trade-offs explained; growth targets adjusted.
7. Whole-business approach	VfM applied to CHART, Charity Shop, and digital transformation.
8. Social value and added value	Strong coverage of CHART, Charity Shop, community partnerships, and tenant support.
9. Stakeholder engagement	Tenant Satisfaction Measures, tenant panel plans, and community feedback.
10. Diversity and representation	Dedicated section on Representation and Diversity included.